



Capability vs. Capacity

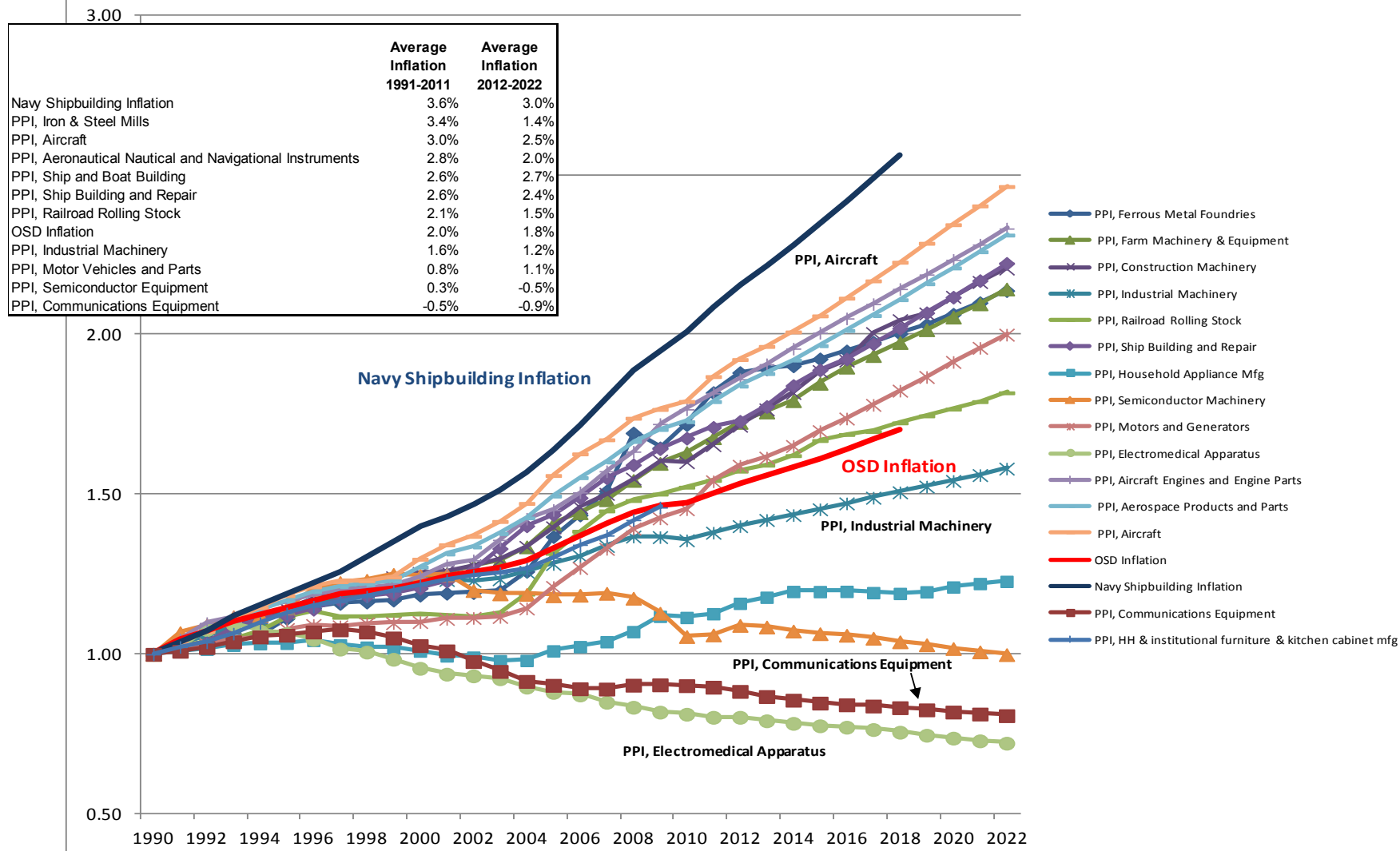
ASNE Combat Systems Symposium

RDML Dave Lewis
Program Executive Officer, Ships
March 27, 2012

Report Documentation Page				Form Approved OMB No. 0704-0188	
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE 27 MAR 2012		2. REPORT TYPE		3. DATES COVERED 00-00-2012 to 00-00-2012	
4. TITLE AND SUBTITLE Capability vs. Capacity				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Program Executive Officer, Ships, Washington ,DC,20376				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES Presented at : Combat Systems Symposium 2012: March 26-27, 2012, Sheraton National Hotel, Arlington, VA					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT Same as Report (SAR)	18. NUMBER OF PAGES 5	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

Industry Inflation

Inflation Comparison for Selected Industries 1990=1



Source: BLS Historical PPI – Global Insight 2012 Q1 Forecast

The diagram illustrates the relationship between innovation, costs, price, budget, and force structure for the Shipbuilding Industry and the Navy. A diagonal line runs from the top-left to the bottom-right, with labels **Shipbuilding Industry** and **Navy** on either side. A series of blue circles connected by arrows represent a flow: **Innovation** → **Productivity** → **Costs** → **Price** → **Budget** → **Force Structure** (represented by a circular gauge). The Force Structure gauge has a scale from 0 to 100. A yellow band and a purple band run parallel to the diagonal line. The yellow band is labeled **Minimal**, **Little or None**, **Increase**, **Increase**, **Flat / Decrease**, **Flat**, and **Decrease**. The purple band is labeled **Increase**, **Decrease**, **Flat**, **Increase**, **Flat**, **Increase**, and **Increase**. A blue box at the bottom right contains the text: **Force Structure and Innovation are directly connected**. Two large curved arrows point from the bottom right towards the top left, indicating a feedback loop.

“Another factor in maintaining balance involves the element of time. As we peer into society’s future, we-you and I, and our government must avoid the impulse to live only for today, plundering for, for our own ease and convenience, the precious resources of tomorrow. We cannot mortgage the material assets of our grandchildren without asking the loss also of their political and spiritual heritage. We want democracy to survive for all generations to come, not to become the insolvent phantom of tomorrow.”

*President Dwight D. Eisenhower, Farewell Address to the Nation
January 17, 1961*

...we all have a higher responsibility